

Introduced by Senator MaldonadoFebruary 22, 2005

An act to amend Section 10091 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1090, as introduced, Maldonado. Insurance.

Existing law generally regulates property insurance and defines certain terms as used in those provisions.

This bill would make a technical, nonsubstantive change to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10091 of the Insurance Code is
2 amended to read:
3 10091. Unless the provision or *the* context otherwise requires,
4 the following definitions shall govern the construction of this
5 chapter:
6 (a) "Association," "industry placement facility," or "facility,"
7 means a joint reinsurance association (the California FAIR Plan
8 Association), formed by insurers licensed to write and engaged in
9 writing basic property insurance within this state to assist persons
10 in securing basic property insurance and to formulate and
11 administer a program for the equitable apportionment among
12 such insurers of such basic property insurance.
13 (b) "Commissioner" means the Insurance Commissioner of
14 this state.

1 (c) “Basic property insurance” means insurance against direct
2 loss to real or tangible personal property at a fixed location in
3 those geographic or urban areas designated by the commissioner,
4 from perils insured under the standard fire policy and extended
5 coverage endorsement and vandalism and malicious mischief and
6 such other insurance coverages as may be added with respect to
7 such property by the industry placement facility with the
8 approval of the commissioner or by the commissioner, but shall
9 not include insurance on automobile or farm risks.

10 For the purposes of earthquake coverage that is provided as a
11 component of basic property insurance, the association shall sell
12 only the policy described in Section 10089. In force policies of
13 basic property insurance that include earthquake coverage shall
14 be renewed with the coverage specified in Section 10089, and the
15 association shall comply with the notice requirements of
16 paragraph (2) of subdivision (a) of Section 10086.

17 (d) “Inspection bureau” means the organization or
18 organizations designated by the association with the approval of
19 the commissioner to make inspections to determine the condition
20 of the properties for which basic property insurance is sought and
21 to perform such other duties as may be authorized by the
22 association.

23 (e) “Premiums written” means gross direct premiums charged
24 with respect to property in this state on all policies of basic
25 property insurance and the basic property insurance premium
26 components of all multiperil policies, less return premiums,
27 dividends paid or credited to policyholders, or the unused or
28 unabsorbed portions of premium deposits.

29 (f) “Insurer” means any person who undertakes to indemnify
30 another against loss, damage, or liability arising from a
31 contingent or unknown event, and shall include reciprocals and
32 interinsurance exchanges.